He Made a Vigerous Attack on Cleveland's Authority

TO SEND BLOUNT TO HAWAII

by Precedent in the History of the United States.

after the reading of the journal of yes-terday the vice president laid before the senate the annual report of the secre-tary of the treasury, and it was referred

to the committee on finance.

Mr. Hear then uldressed the senals.
He said that he did not propose to deal with what was known as the Hawaiian question. The president's message and all information that had come to the senate on the subject had goes to the soli information that had come to the senate on the subject had goes to the proper committee, and when that committee had accordance the facts and had reported its, conclusions, senators would be ready to deal with it. He wished now to speak to a purely American question—a question affecting the cunstitutional powers, duties and responsibilities of the various departments of the government as established for 100 years. He summarized briefly the events that had taken place in Hawaii prior to March i, 1883, and said: That being the condition of things—the established government of Hawaii being recognized by every power on earth that had occasion to deal with it and the deposed government asking for a particular arbitrator on whose justice the dethroned queen relied, to-wit: The United States—there took place a certain transaction which suggests the question: What is the United States of America? Who represents in great national or international affairs, its purposes, its honor, its policy as to foreign relations? And that transaction was this.

The present president of the United States was inaugurated on Saturday. March 4. The next day was Sunday. On Monday, the 6th of March, the names of a proposed cabinet were sent to the senate and were approved. And on the lith of March, amid all the exciting and important questions which an incoming administration may deal with, the tion. Mr. Blount departed on his

At the close of Mr. Hoar's remarks the president's message in response to the resolution calling for copies of correspondence, etc., and the papers transmitted therewith were referred to the committee on foreign relations and ordered to be printed.

Morgan Also Inquisitive.

Morgan Also Inquisitive.

Mr. Morgan effered a resolution, which was agreed to, instructing the committee on foreign relations to inquire and report whether any, and if so, what irregularities have occurred in the diplomatic or other intercourse between the United States and Hawaii in relation to United States and Hawaii in relation to the recent revolution in Hawaii—with power to send for persons and papers. In offering it he said: "The committee on foreign relations has expressed informally of course, a desire to do its whole duty in respect to these questions, and to do it impartially, with reference to the attitude of the United States government towards Hawaii. The remarks to the attitude of the United States gov-ernment towards Hawaii. The remarks of Senator Hoar from Massachusetts and other remarks which have been made before the senate bring up the question of whother irregularities have duty of the committee on foreign rela-tions, of course with the consent of the senate, to bring before the country all the evidence that bears, legitimately and properly, upon an inquiry of that

"Our relations with Hawaii today are simply those of a republic which has recognized, through its diplomatic agencies, a government existing in the Hawaiian islands, to which there apliawaiian islands, to which there appears to be no objection at all on the part of the secretary of state or the president or any one clee, but on, the contrary a firm recognition. That leaves the relations between the United States government and Hawaii at this moment unaffected by what has occurred beretofore. I speak now of the relation between the two governments. The other questions which is behind that relate to the conduct of the two executives in reaching the result which is now an accomplished fact, and which stands before this world to define the attitude between the United States and the government of Hawaii. That is in itself a downstic question; one that concerns us and nobody else; one that the government of Plawar. That is in itself a downstic question; one that concerns us and nobody else; one that touches simply the matter of the regularity and propriety of the action which has necurred on the part of either or both of the two presidents of the United States in their dealing with this subject. After a short executive senson legislative becomes was recommended in a tire business was resumed at 3 p. ex.

Deficiency Bill Passed. Deficiency field Passed.

The urgent deficiency bill was reported back from the committee on appropriations by Mr. Clockrell, the chairman of that committee, who said that as soon as the bill passed the security the hour of adjournment for the holiday recess would be fixed for tomorrow; and it was very doubtful whether, if any amondment to the bill were made in the security there would be a marrier of the ste, there would be a querum of the

house to act upon it.

The committee on appropriations had therefore instructed him to report back the ball, without assendment, and to sak for its immediate consideration. see to ant upon it. He added that there were many stems in the bill which did not meet the apmural of the mommittee, but there were appropriations which were absolutely

The mediation offered yesterday by Mr. Morgan for the apprentment of a joint committee on the Minaragus Mar-time canal, was then laid before the sen-

A message from the house providing for the holiday recess from tomorrow satii Wednesday, January 3, was agreed

The senate then, after a short execu-

day Until Jaquary 3.

Washington, Dec. 20.—The greater part of the day was taken up in the house by a consideration of the New York and New Jersey bridge bill, and after some discussion, chiefly conflued to the New York members, the bill as amended in conference was agreed to.

The little urgent deficiency bill, which was defeated in the closing hour of the entra session, was reported by Mr. Sayers, who moved that the house continue to disagree on the item to pay senature, closes and senate employes during the recess of the last congress. Mr. Coombs, however, moved that the house recede from its agreement to the stoate amendment. Mr. Coombs' motion prevailed and the obstacle was overcome. A joint resolution was adopted in the house previoling that the Christmas reason acheed from Thursday, December 21, to Wednesday, January 3, 1834.

Henselbicans to Meet.

Masurageon, Dec. 20.—Thomas H. Carter, chairman of the national republican committee, writes to a personal friend in this city that a meeting of the executive committee of that organization will be held in this city shortly. The date is not determined, but Mr. Carter thinks he will call it for January 11. One of the questions to be determined will be that of establishing permanent headquarters either in Washington or New York, with a view of cooperating with the different state committees for an aggressive campaign all along the line.

Washington, Dec. 20 - General Wheeler, chairman of the house committee on territories, reported a bill to-day to admit Oklahoma territory as a state. The bill was agreed upon by the committee. This bill does not include Indian territory, but is for Oklahoma as its boundaries now exists. The report shows that there 250,000 people in the territory and that its area is 38,000

WASHINGTON, Dec. 20.—The president today sent to the senate the following nominations: John Russell of Mississippi, collector of customs for the district of Natchez, Mississippi; William N. Hailmen of Indiana, superintendent of Indian schools.

WASHINGTON, Dec. 20.—The senate to-day confirmed Wayne McVeagh of Penn-sylvania, ambassador extraordinary and minister plenipotentiary of the United States to Italia

National Capital Notes

Senator McMillan will probably not return to Michigan during the holidays. He has duties which may keep him here. He is a member of the senate special committee to investigate the Ford theatre accident and this commit-tee will meet during the Christmas holi-

Congressman Thomas A. E. Weadock has been chosen by the executive com-mittee of the Michigan State association to deliver the annual address at the dinner to be given by the association on the anniversary of the admission of that state into the union, January 21

ing the past two years commenced Monday. There are more than 7,000 packages of articles of dead mail matter to be sold.

Lieut A. G. Winterhalter of Detroit has been detached from duty at the naval observatory and ordered to duty in the bureau of equipment navy de-

Senator Hoar presented a petition on the subject of good roads in the senate resterday, which was referred to the committee on interstate commerce. The demand of the contractors of the Marbiehead for a new speed trial having been withdrawn they have been paid their premium of \$125,000.

A resolution has been introduced in the senate to discontinue the use of

Ass Assoc, Mich., Dec. 20.—The graduating exercises of the first class of trained nurses to complete the hospital course took place in the University of Michigan tought. President Angeli delivered an address and the board of regents was present. There was much interest taken in this event, especially

Michigan Building Sold.

LASSING, Mich., Dec. 20. The Michl. gan commission has sold the Michigan building to Davis & Johnson of Chicago for \$1,300. The purchasers have begun to tear it down, intending to use the lumber for other purposes. Governor Rich, who has returned to Lausing says that the commission will meet again

Hupson, N. Y. Dez. 20.—Edward P. Weston, the pedestrian, reached this city at 7:15 this evening being tweive hours ahead of schedule time. He remained twenty minutes and then resumed his walk. He is its good condtion and in the best of spirits. He ex-

Trying the Scott Case Again.

Mammatt, Mich., Dec. 20.—Henry Miller of Eckford and Lafayette Harris of Marshall have been selected to complete the cruppled jury in the Scott case. Then the work of trying the case from the beginning was begun, and nothing new of especial importance was developed in the form of testimony today.

Pants, Duc. 26 - Senator Charles Gui-mot deed sucklenty today. He was 65 years of tige and had been in politics thatly years. After serving service years in the chamber of degrates no was elected senator in 1820.

STEVENS HITS BACK

Cleveland's Charges in His Hawalian Message Against Him

ARE DELIBERATE FALSEHOODS

for His Imprachment as a Usarper.

Argents, Maine, Dec. 20 .- Following is the answer of ex Minister John L' Stevens to President Cleveland's state-ment regarding his official conduct at

President Cleveland's recent message in which he so severely criticises the course of the recent American minister at Honolulu is but a feeble repotition of the superficial report of Commissioner Blount and the statement of Secretary Gresham, proviously published.

In my answer to Blount's report, extensively published in the United States. I showed coordusively, as Mr. Thurston and other thoroughly responsible witnesses have abown, that the allegations in that report against the official conduct of Captain Wiltz and myself are grossly untrue, and in manifest antagonism to all the reasonable probabilities, circumstances and logic of the satuation at Honolulu in January last. President Cleveland's grossly untrue and shamefully unjust allegation against toyself and the naval commander rest entirely on the statements of the four notoriously corrupt ministers of the four notoriously corrupt ministers of the failen quere, of Wilson, the Tahitian half white immoral favorite, and other thoroughly discredited testimony.

No Hand in the Overshrow.

I only repeat here what has been amply voiced again and again that neither by force nor threat of force or by any salvice or action of unine was the fall of the monarchy precipitated. From the hour on which I entered on my dut at the head of the United States legation to the termidation of my official responsibility, I maintained the determination to call on the naval commander for aid only in the event that American life and property were in danger. Cautiously, but firmly, perhaps sometimes too allently. I made this my fixed rule of action, not only to the representatives to the queen, but to the leaders of the parties who saw no other alternative in the welfare of the islanda, but in the total abolishment of the monarchy. President Cleveland sees fit to point against my official conduct that months before the events of last January I had advocated annexation.

His Dispatch to Blaine

His Dispatch to Blaine.

He deliberately and purposely cenceals what I say in my dispatch on November, 1892, was a confidential statement to the department of state of the conditions of affairs in Hawaii, a report of facts which by the established rules and practice of diplomacy. I was in duty bound to make known to my government. At that date my crimings were so privately held that my opinions were so privately held that both in Honolulu and in California it was believed that the American miniswas believed that the American minister was averse to annexation. For months prior to the date of this dispatch there had been a continual struggle between the legislature and the queen as to their respective rights regarding the constitution and responsibility of the cabinet. Ministry after ministry had been appointed in deflance of the votes of the legislators and responsible public opinion. The queen and her immoral favorite, Wilson, and the lottery ring, openly defled the legislature and the property holders of the islands. Only the remarkable self-possession of the respectable and the responsible men of the islands prevented an outbreak and the overturn of the monarchy at an earlier date.

Revolution Was Ripe.

When Captain Wiltz and myself, in the Boston, arrived in the harbor of Honololu, from ten days at Hilo, in the forenoon of January 14. I was completely taken by surprise at what the queen, the palace associates and the lottery gang had accomplished in ten days. The remonstrances of the chamber of commerce, of the numerous petions of some of the best people of the city, both whites and natives, and the earnest pleadings of those who had previously adhered to the monarchy had been defiantly disregarded. I found the city in great excitement and learned that for many hours there had been an anxious desire for the return of the Boston, and its desire was strong among the more thoughtful supporters of the monarchy, as well as among the great body of the responsible citizens. The surging, irresistible tide of revolution was then obvious to all persons not wilfully blind. What took place at the palace that afternoon of January 14 ended the Hawaiian monarchy forever.

Queen Not Driven From the Throne. I will not here repeat what I have said to the American people as to the false charge that the queen was driven from her throne by American force or by the threat of American force in any form or manner whatever. As to the landing of Boston marines January 16, I only did what had been done in a previous Hawaiian crisis by Commander Woodward on the request of Minister Morrill, acting under the Cleveland Bayard order August 1, 1859. The president's statement that the three points at which our small naval force was placed were not favorably cheep for the protection of American life and property, is radically an error, at all know who are familiar with the map and the buildings of Honan error, set all know who are familiar with the map and the buildings of Honolulu, American property being in all the various sections of the city. On the 17th I refused the use of force to restore the queen to the throne, which she had recklessly jost three days before and to recognize the provisional government when it had become master of the situation.

There never was a more preposterous assumption than this assertion of the president that the queen, January 17, had ample force to sustain her and to enable ner to carry on the government. This studiously maintained assumption of the president is based on the testionary of the notorisumly corrupt representatives of the rings that the liausian managed Lilipotatian), that the liausian managedly was averturised by United state force and was and is put forth for the sole purpose of bringing discretif on the president administration at Washington and on the action of the foreign relations committee of the

United States senate in favor of acres

Cleveland a Look at this historical fact disposite ately and no one will deay that is lines of usurpation and isjustice which President Cleveland and the aretary of state have acted since the seventh of March last, coupled with a shamber course of Course o exparts, star chamber course of Commissioner Blount, relative to the accepted testimony of Littuchalan's falles corrupt ministers are force sweeping and
more hostile to Anglo fig.con liberty
than the acts of George the
Third and the Lord North
ninistry, which drove the American colonies to microsoful revolt.
There is nothing in American history
that is more chameful in the scope of injustice and tyras by then the attempt of
President Cleveland and Secretary
Gresham to crush out eight liberty and
American interests in Hawaii by the
threat to restore the extinct Hawaiian
monarchy by force of area, or by diplomatic chicanery and pressure more in
famous if possible that the use of ball
and bayonet.

Jour L Stravass.

PYROTECHNICS IN THE HEAVENS

Lehigh Men Must Have a New Griev-

Tense Haute, Ind., Dec. 20.—Regarding the rumors emphating from Buffalo and other points on the Lebigh that the recent strike on that road is to be reopened, Grand Secretary Arnold of the Brotherhood of Locomotive Firemen said today that he had heard nothing of it. He had advices from Wilksbarre today stating that twenty five brotherhood firemen had been given their old places. Secretary Arnold is disposed to think the rumors originate with a few malcontents who are impatient to have their old places restored to them. He points out the fact that the strike cannot be renewed except on the basis of an entirely new grievance.

Declared Extra Dividenda.

New Yons, Dec. 20.—The Canada Southern railread company has declared a dividend of 1½ per cent and an extra dividend of ½ per cent under the arrangement made with the Michigan Central has declared a made with idend of 2 per cent and an extra one of 1½. The statement of the Michigan Central and Canada Southern roads

PHILADELPHIA, Dec. 20.—The twentyeighth annual graduating exercises of
Pierce school of business and shorthand
were held in the Academy of Music this
evening. When General Harrison rose
to address the graduates he was greeted
by a storm of cheers and throughout his
address he was compelled to pause frequently until the applause that followed
his words had subsided.

CHICAGO, Dec. 20.—Application for a receiver for the 'Hick's Stock Car company was made in the circuit court to day by Henry O'Hara of St. Louis. This company was formed for the purpose of operating cars for the transportation of stock, and it does a large business with the leading stock owners of the country.

MEMPHIS, Tenq., Dec. 20.—On Monday C. P. Huntington entered a suit against the Chesapeake, Ohio & Southwestern Railroad company for \$100,000. On the following day a judgment by confession was entered in favor of the plaintiff for \$83,543.71. The matter was kept a secret and it did not leak out until today.

Grabbed by the Trust.

Sr. Louis, Dec. 22.—The General Electric company, otherwise the Electric trust, has absorbed the Municipal Electric company of this city and today announced that it had assumed all the latter's contracts, including the contract with the city for street lighting.

Overdue Stennier Arrived. PHILADELPHIA, Dec. 20.—The American liner Ohio, Captain Boggs, three days overdue, arrived at her dock today from Liverpool and Queenstown, after one of the most violent passages experienced for years, and landed twenty-three saloon and 114 steerage passengers.

Louisville. Ky.. Dec. 20.—Charles Vonter of Covington and Charles Slusher of this city mot last night and put up a \$100 forfeit each to secure a light to a finish for the fourth day of the new year. The contest will be for the championship of Kentucky.

He Will Give \$5,000 to the Poor Cincinsart, Dec. 20.—In addition to the donations which it has been the pleasure of John R. McLean, proprietor of The Enquirer, to annually distribute at the Christmas was in, he will this year give \$5,000 to the worthy poor of

American Exhibits at Antwerp Curcano. Dec. 23.—The American propaganda of this city has been appointed by the Antwerp exposition as exclusive agents to take charge of American exhibits to be displayed at the ex-

Fraud in New York Custom House

OVER ONE MILLION STOLEN

and Peculations Have Been Going on Ever Since,

Washington, Dec. 20.—Gross irregu-larities amounting to millions of dollars are stated to have been discovered in the are stated to have been discovered in the New York custom house by a special agent of the department recently detailed to make an investigation. His report, which is elaborate as to detail, has been laid before Secretary Carlisle, and was today the subject of several hours discussion between him and Assistant Secretary Hamlin, in charge of customs matters in the treasury department. The report refers principally to tobacco refunds, in which the irregularities are alleged to have occurred. The amount involved is stated as thigh as \$1,000,000, and gross negligence, or worse, is charged

ulent refund on tobacco importations is from 1883 to the present time.

How the Robbery Was Committed.

The principles laid down in the case of the United States va. Schlesinger as to tobacco refund have been the basis on which all proper refunds have been made. These principles, it is stated, have been departed from and refunds allowed, illegally and wrongfully. While the report deals specifically with the tobacco refund, it also touches upon refunds made in the hat trimmings cases, where it is alleged refunds amounting to many hundred thousands of deliars have been illegally and connivingly made. These cases have recently been the treasury department and Collector Kilbyeth at New York and United States District Attorney Mitchell of New York. The matter is deemed of the utmost importance in the treasury department and close reticence has been observed in regard to it.

Secretary Carlishs and Assistant Secretary Hamlin late this evening declined to discuss the matter. But as a result of this special report, it is asserted at the treasury department that there will be an immediate and general shake-up of the officials of the New York custom house.

CARLSON COTTAGE.

CARLSON COTTAGE Detectives Testify as to its Condition

CHICAGO, Dec. 20-The testimony Chicago, Dec. 29.—The testimony presented to the jury today at the trial of Daniel Coughlin, related chiefly to the result of the police investigation at the Carlson cottage after it was discovered to have been the place where Dr Gronin's life was beaten out. Detective Lorch testified to finding the staim which looked like blood on the plants crossing the ditch between the house and street and on the walls of the cot-tage. He identified the piece of floor, painted red, and on which were foot-prints and yellowish paint as if a person had had stepped on it in his stocking feet. He found a key covered with paint on one side, which fitted in the lock attached to the trunk found on the lock attached to the trunk found on the Evanston road. He identified the trunk produced in court as the same. There was no covering on the bed, no stove, nothing in the pantry, and all but the front room and kitchen were barren of furniture. A kerosene lamp' was in the kitchen and dark brown hair was found on a piece of soap. At the opening of the afternoon session Attorney Donohue resumed his cross-examination of Detective Lorch, his object being to cast a suspicion of crooked work in connection with the finding of the key to the trunk in the Carison cottage. Lorch said he picked the key from the floor in the front room under the dresser, but the questions put to the detective by the defense seemed to imply that when the police discovered there was no key to the trunk one was there was no key to the trunk one was

found.

Detective Lorch's testimony was substantiated by Detective Hoitt and Policeman Hedrick. The last witness for the day was Dr. Charles F. Perkins, who identified the gold filled teeth shown him as those in the doctor's body. Dr. Perkins was on the stand when court adjourned.

They Refused to Prevent Japanese Insulting Foreigners.

Vascouves, B. C., Dec. 20.—Japanese advices received by the Canadian Pacific steamship Empress of India are as follows: The unfriendly fealing of the Japanese towards foreigners is on the increase. A few days ago Architeacon Shaw, chaplain to the British legation at Tokio, while walking on the street with his wife, was attacked by two drunken rowdies and much abused. The archdeacon appealed to several policemen who, however, refused to interfere, while a hig crowd jeered and urged the assailants on to further indignities. An official of the German legation was also budly treated by a mob a few days later. The foreign censules called the attention of the Japanese government to the matter with the result that several policemen were dissult that several policemen were dis

A Murderer's Attorney's Sharp Prac tice to Thwart Justice.

Concerns, Ind., Dec. 20.—A sensation was created in the circuit court this morning by the attorney of Cyrus Ilrown, condemned to death for the muretor of his wife, filling an affidavit charging J. I. Griffy, a juror, with being drunk when on the witness stand. Griffy is a leading church member. The court permitted the ming of counter affidavits by other jurors, alleging a different state of facts. The deats sentence is delayed on this account. tence is delayed on this account.

Bannottatillas, Ky. Dec. 20.—Late last night at Flat Lick, in this county, John Witt shot Arch Campbell, a deputy sheriff, and dangerously wounded him. The builts took effect is Campbell's left breast. An alterestion came up over a notice Campbell had posted advertising the sale of Witt's house.

of another longshoreman named Patrice Collina, five years ago. The date for EleNuity's assecution has been set five different times, and the probability is that the death sections will be com-muted to life imprisonment.

WAR IN THE EASY

MUST NOT HANG PRENDERGASE

Chricago, Dec. 22.—Attorney Wade, who represents Prendergast, made a startling statement today in court. The attorney is thoroughly imbued with the idea that Prendergast is insene, and he will fight a verdict of hanging to the highest court.

"I will not contest any other form of a verdict, and I am prepared to state that the prisoner's family will not object to a sentence for life in the penitentiary or confinement in some institution

Denven, Col., Dec. 20.—The doubt of Ida Hall, the young girl murdered by her despairing lover, young Handfield, one day last week, did not end the story and a pew feature appeared today when relatives of the girl disinterred her body and removed it to another cemetery. The reason for this was that they did not want the grave of the girl to be by the side of her lover.

Used a Rusty Knife.

Columnus, Ohio, Dec. 20.—Ex-Attendant Clower of the Columbus insane asylum made a startling statement in the Albert Leisure case Wednesday. He stated that he saw Dr. Stockton, an assistant physician, open a boil on Leisure's arm with a rusty knife. This confirmed the finding of the Muskingum county coroner, that Leisure died of blood poisoning.

Physician Committed Suicide

Wilmparten, Ohio, Dec. 20.—George Dixon and Charles Cook of Cincinnati have been bound over to court on the charge of obtaining canned goods in large quantities from the firm of Swaim & McCormick at Salina by false pretenses. They are also said to have operated extensively in a similar line in Michigan and Kentucky.

WHITLEY, Ind., Dec. 20.—The cream-ery package works of this place were totally destroyed by fire tonight. Loss, \$35,000; insurance. \$2,500. The works were owned by Chicago parties and em-ployed 100 hands. The fire is believed to have caught in the engine room.

Wind Mill Factory Burned. Totano, Ohio, Dec. 20.—At Napoleon, Ohio, today, the wind mill factory of Heller, Atler & Co., Karl Kobes' livery stable and Wallace Blair's general store were borned. Total loss, \$17,000; insurance about \$7,500.

Indicted for Embess New OBLEANS, Dec. 20.—Ex-Cushier James M. Dowling of the United States mint, who was charged with embelzing \$25.000 from the government, was indicated by the federal grand jury here to

CHARLOTTE, Mich., Dec. 20.—The parties charged with having been instrumental in spiriting away the Rosen atock of goods at Grand Ledge have all been caught. Mr. kosen and wife have been arrested at Cumberland, Maryland, and \$3,000 worth of goods secured, which had been sent to that place. Q. Nathan of Buffalo, New York mother party implicated in the affair, has also leen captured. The stock of goods in question amounted to about \$10,000 in value, the greater part of which has been discovered.

Jacobs' Trial Still On.

Owesso, Mich. Dec.26.—Deputy Sheriff Derrick of lonia was the most important witness in the Jacobs investigation this morning. He told the sheriff, before Sullivan's lynching, that he saw no danger that would warrant calling out the militia. Richard Ries of Durand, who had worked with the murdeer, testified that the Sullivan hung was the real Sullivan a thing which has never been slowbied.

Brance, Dec. 20.—It is again ru-moved that Emperor William will parison the two French spies. Degony and Maisvas, who were sentenced to six and four years' con-ficement respectively in a furteess. Prior to their trial the emperor said that he could take no action in the case actif the court had passed upon the question.

the first treast. An altercalion cause up over a notice Campbell had posted neiverlining the sale of Witt's house.

Granted a Reprieve.

Sax Puncture. Does 20. Governor Markhau has granted a reprieve to John McNuity, a longaboreman, sentenced to be hanged December 29, for the murier (6.00),001 cubic feet.

## **WOULD ISSUE BONDS**

Secretary Cartisla Would Sall

WITHOUT AID OF THE BANKS

He Would Put Them to Low hever One Could Buy-His Viens of Silver.

20. The deficit for the five months is \$20,018,000. The net balance in the treasury, exclusive of the gold reservand some other funds, was only \$11,000, 448, and of the total cash on hand \$12,347,017 was in subsidiary affect as minor coins. In view of the slight improvement in the floracial situation the deficit for the year is pinced at \$28,000,000.

Cartisle Would Issue Bonds.

To cover this and any deficits in 1804 and 1886, Secretary Cartisle recommends that the law of 1815 be amended so as to authorize him to sell at not less than par in coin bonds to an amount not exceeding £300,000,000, bearing a lower rate of interest and having a shorter time to run than those new provided for.

"In the present condition of the public credit," the secretary mays substantially, "nothing less than the existence of a great and pressing financial emergency would, in my opinion, justify the issue and sale of any of the three classes of bonds which the law of 1875 permits me to issue. On the first class the interest would amount, at the materity of the bonds, to one-half the principal, on the second class it would amount to more than two thirds of the principle, and on the third class it would exceed the principal by 20 per cent. Whatever may have been their merits nearly a quarter of a century ago, when the credit of the government was impaired, our financial standing is now so high that such bonds would have to be sold at a premium so great as to prevent people of ordinary means from buying them. And it is evident that a bond, bearing interest at the rate of 3 per cent, payable quarterly, and redeemable at the option of the government after five years, could be readily sold at par in our own country.

"If I am authorized to issue the bonds in denominations of \$25 and its multi-pless, they could be readily disposed of through the sub-treasuries and post-offices, without the agency or interven-tion of banks or other financial institutions and without the payment of com-missions. Such bonds would afford to the people at large an opportfinity to convert their surplus earnings into a valuable and convenient form of security. In case congress should not accept my suggestion I recommend that the secretary be empowered to execute from time to time, as may be necessary, the obligations of the government not ex-ceeding in the aggregate \$60,000,000, bearing a rate of interest not greater than 3 per cent and payable after one year from date, and that he be permit-ted to sell or use them at not less than year from date, and that he be permit-ted to sell or use them at not less than par in the payment of public expenses to such creditors as may be willing to receive them."

He Would Issue Them Often.

He Would Issue Them Often.

The secretary then goes into an elaborate argument, showing that the \$100,000,000 gold reserve has become inadequate for the redemption of the largely increased volume of currency, and that while the law provides that gold and silver must be kept on a parity, the treasury has no longer the power necessary to do so. "Under these circumstances," the secretary says substantially, "it is necessary not only that the secretary should be ciothed with full authority to procure and maintain as ample reserve in coin, but that the purposes of the reserve should be made as comprehensive as the duty imposed upon him by the law. The constant existence of such authority would of their inspire such confidence in the security and stability of our currency that its actual exercise might never become necessary."

Gold Shipments Discussed.

The secretary then discusses the gold shipments at length and attributes it largely to the apprehensions of the government's shility to redeem its currency and maintain the parity of allver. He denounces as where the policy of the government with maintaining its own currency; but he says if the government takes upon l'assif the functions of a bank of issue, greater than all other banks combined, it should not deny to the secretary of the treasury the discretion possessed by the succutive heads of lanks. Under existing law, the secretary says, he is given no opportunity to take advantage of favorable changes in the financial situation. He can neither anyotiate temporary leans to meet ensual deficiencies nor retire and cancel the notes of the government without swintluting other currency for them when the revenues are redundant or the eigenstitution excessive, nor can be resert except to a very limited extent, to any of the expedients which in his judgment injurious disturbances of the financial situation. These possiderations omphasize the recessity for such legislation as will make the department independent of speculative interests and operations and enable it to maintain the credit of the government upon a sound and secure basis.

Nilver Question Discussed.

Upon the subject of silver the secretary says that he can recommend no specific legislation on the silver question uptil the effect of the Sherman act repeal becomes apparent.

One of the principal difficulties of the treasury department, the secretary angain the accumulation of silver deliars and aliver certificates, which the public distiller to handle. The repeal of the Sherman and leaves no reason why swittingstes should not be accepted freely by the people, and to alivenes this rundition the accretary will give out pilous certificates of the smaller denominations and as far as pressible withings the